



PERS Plan 2 and PERS Plan 3 Rules for Governor Appointed Officials

Washington State Department of Retirement Systems

If you would like to be a Public Employees' Retirement System (PERS) Plan 2 or Plan 3 member while in office, you must apply to the Department of Retirement Systems (DRS). However, you are not required to be a retirement system member.

The following rules apply to governor-appointed officials who choose to be covered by PERS Plan 2 or PERS Plan 3 while in office.

You are eligible to participate in PERS Plan 2 or PERS Plan 3 while in office if:

- You are a member of PERS Plan 2 or PERS Plan 3, TRS Plan 2 or TRS Plan 3, SERS Plan 2 or SERS Plan 3 or LEOFF Plan 2 when appointed to office,
- You are a former member of PERS Plan 2 or PERS Plan 3, TRS Plan 2 or TRS Plan 3, SERS Plan 2 or SERS Plan 3, or LEOFF Plan 2 (even if you withdrew funds from your retirement account), or
- You have never been a member of a retirement plan administered by the State of Washington.

Additional rules governing all PERS Plan 2 or PERS Plan 3 members are summarized in the PERS Plan 2 and PERS Plan 3 Member Handbooks, which can be obtained by calling DRS outside the greater Olympia area at 1-800-547-6657; or in the Olympia area at (360) 664-7000. You can also obtain a copy from the DRS Web site at: www.wa.gov/DRS/drs.htm.

When can I apply for membership?

During your initial term: You may apply for membership at any time during your initial term of office. If you enter membership after your initial term of office has started, you must retroactively pay employee and employer contributions plus interest dating back to the first day of your initial term.

During a following term: If you do not apply for membership during your first term in office, you may apply during a following term. Membership will be granted retroactively to the first day of the term of office in which you apply for membership. You must pay member contributions and interest back to the first day of the term in which you apply for membership.

If you have been appointed by the Governor to a position that does not have a set term of office, your "current term of office" includes all uninterrupted service beginning with the first day of your current appointment.

Your membership decision is final: Once you have established retirement system membership, you must remain a member until you separate from all eligible public employment.

If you serve an additional term of office with the same employer without a break in service, you will remain a retirement system member.

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How do I earn service credit?

The amount of your retirement benefit is determined in part by the amount of service credit you accumulate. As a Governor-appointed official you will earn service credit as follows:

For service performed prior to September 1, 1991, you receive service credit only for those months in which you work more than 90 hours, and earn compensation in excess of 90 times the state hourly minimum wage.

For service performed on or after September 1, 1991, for each month that you earn more than 90 times the state minimum wage, you receive service credit as follows:

- 90 or more hours = 1 service credit month
- At least 70 but fewer than 90 hours = .5 service credit month
- Less than 70 hours = .25 service credit month

Can I receive service credit for past elected service?

What will my retirement benefit be?

The Plan 2 retirement benefit is based on this formula:

$$2 \text{ percent} \times \text{Service Credit Years} \times \text{Average Final Compensation} = \text{Monthly benefit}$$

The Plan 3 retirement benefit is based on this formula:

$$1 \text{ percent} \times \text{Service Credit Years} \times \text{Average Final Compensation} = \text{Monthly benefit}$$

Average Final Compensation is the monthly average of your 60 consecutive highest-paid service credit months. Not included are payments for any type of severance pay, such as lump-sum payments for deferred sick leave, vacation or annual leave.

How much will I contribute to my retirement fund?

Plan 2 contribution rates are variable and may be changed as necessary to reflect the cost of your retirement plan.

In Plan 3, the amount you contribute depends on the contribution rate option you choose. Plan 3 features six contribution rate options that, once selected, may only be changed if you change employers. The Plan 3 contribution rate options are:

Option A: 5% fixed at all ages

Option B: 5% up to age 35

6% ages 35 to 44

7.5% age 45 and up

Option C: 6% up to age 35

7.5% ages 35 to 44

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8.5% age 45 and up

Option D: 7% fixed at all ages

Option E: 10% fixed at all ages

Option F: 15% fixed at all ages

What if I am retired when appointed?

If you are a retired PERS Plan 2 or PERS Plan 3 member when appointed to a position, you can choose to either remain retired and continue receiving your retirement allowance while serving in a governor-appointed position, or return to active member status while serving in the position.

If you choose to remain retired while in your position, you can work up to 867 hours in a calendar year without loss of benefits. Your benefits will be suspended if you work beyond 867 hours in a calendar year, and will remain suspended until you terminate PERS-covered employment or until the end of the calendar year, whichever comes first.

If you return to active member status, you will stop receiving a monthly retirement benefit, and you will resume making contributions to your retirement system and accumulating service credit. Any retirement benefit you receive during your current term must be repaid.

How Do I Enroll?

To continue or reestablish PERS Plan 2 or PERS Plan 3 membership, contact DRS and provide the following information:

Name

Social Security Number

Address and phone number

Position title and employer

Beginning and ending dates of all elected official service

DRS will verify your service and send you an enrollment letter and application.

You can write DRS at:

Department of Retirement Systems

PO Box 48380

Olympia, WA 98504-8380

Questions?

To discuss the application of these rules to your specific case, call the DRS Central Reception Desk and ask to speak to the Legal and Legislative Services Unit.

DRS' central telephone number is toll-free 1-800-547-6657 or locally (360) 664-7000.

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Office hours are 8 a.m. to 5 p.m., Monday through Friday, except legal holidays.
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THIS PUBLICATION IS A SUMMARY

This brochure does not contain a complete description of the law. If there are conflicts between the information contained in this brochure and retirement law, the applicable law will govern.

This publication is available in alternate formats. For information contact DRS Member Publications at (360) 664-7278.